

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**SB 256 – HB 390**

March 18, 2017

**SUMMARY OF ORIGINAL BILL:** Increases the rate of interest that an industrial loan and thrift company may charge for loans of \$100 or more from 24 percent per annum to 36 percent on the first \$2,500 of the loan, 30 percent on the portion of the loan between \$2,500 but below \$5,000, and 24 percent on any portion of the loan above \$5,000.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (005367):** Deletes all language after the enacting clause. Increases the rate of interest that an industrial loan and thrift company may charge for loans of \$100 or more from 24 percent per annum to 30 percent on the first \$5,000 of the loan.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumption for the bill as amended:

- Increasing the level of interest that an industrial loan and thrift company is authorized to charge on a loan will not significantly impact state or local government.

**IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

**SB 256 – HB 390**

Assumptions for the bill as amended:

- There will be a permissive increase in business revenue for industrial loan and thrift companies in Tennessee. The extent of any additional business revenue is dependent on multiple unknown factors and cannot be reasonably determined.
- There will be a corresponding increase in business expenditures for companies and individuals in Tennessee that have loans with industrial loan and thrift companies that choose to raise interest rates. The extent of any overall impact on spending in Tennessee is dependent on multiple unknown factors and cannot be reasonably determined.
- The net impact on commerce in Tennessee is estimated to be not significant.
- Any impact on jobs in Tennessee is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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